

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7616

Investigation into Request by Central Vermont Public)
Service Corporation to Change Method of Controlling)
Water-Heating Service Provided Under Rate Three)

Order entered: 5/12/2010

ORDER APPROVING CHANGE IN METHOD OF CONTROLLING WATER-HEATING SERVICE

Docket 7095 concerned rate design changes proposed by Central Vermont Public Service Corporation ("CVPS" or the "Company"). In that docket, on April 25, 2007, the Public Service Board ("Board") approved a stipulation between CVPS and the Vermont Department of Public Service ("DPS") ("Docket 7095 Stipulation"). One provision of the Docket 7095 Stipulation provided that:

The parties agree that controlled water-heating service provided under Rate 3 (including customers now or potentially served under Rate 14, which will be eliminated) should be opened to new customers and service locations. The load of new accounts in this rate class will be controlled in real-time with pager technology in segments of the Company's service area that are not served by power-line ripple signal controls. The load of new accounts in this rate class will be controlled in real-time with power-line ripple signal controls, while inventory supplies last, and then by pager technology, in segments of the Company's service area that are served by power-line ripple signal controls.¹

On April 22, 2010, CVPS filed a request to modify this term of the Docket 7095 Stipulation. In its request, CVPS states that it now has fewer than 50 pager-technology control devices in inventory, and it would cost approximately \$200 per meter to purchase new, pager-controlled meters. CVPS adds that it has "an abundance" of functional time-clock meters in

1. Docket 7095, Order of 4/25/07 at page 4 of Appendix A (Paragraph 10). Appendix A is the Docket 7095 Stipulation.

inventory because the general population of Rate 3 meters has been declining.² Therefore, CVPS proposes to install used time-clock meters from its existing inventory once its inventories of ripple and pager-controlled meters are exhausted. CVPS argues that the purpose of the requested modification is to minimize stranded meter costs as CVPS is planning to replace all meter inventories with new "smart" meters, starting in 2011.

CVPS's filing states that the DPS supports the requested modification.³

We conclude that CVPS's requested modification to the Docket 7095 Stipulation is reasonable and hereby approve it. Re-using time-clock meters from CVPS's existing inventory is an appropriate interim solution that should enable more customers to be served under Rate 3 without requiring the purchase of additional metering equipment that would be "stranded" when CVPS replaces its meter inventories with smart meters. Accordingly, CVPS may, once its inventories of ripple and pager-controlled meters are exhausted, install used time-clock meters from its existing inventory to control the water-heating load of new accounts served under Rate 3.

So ORDERED.

2. Letter from William J. Deehan, CVPS, to Susan M. Hudson, Clerk, Board, dated April 21, 2010, at 2.

3. All other parties to Docket 7095 were granted intervention on issues related to CVPS's proposal to convert then-existing special contracts between CVPS and ski areas in its service territory to tariff service. Since controlled water-heating service provided under Rate 3 is unrelated to CVPS's Ski Area Snowmaking Load Management Service Rate Tariff, there is no need to provide the other parties to Docket 7095 with an opportunity to comment on the proposal that is the subject of today's Order.

Dated at Montpelier, Vermont, this 12th day of May, 2010.

<u>s/ James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/ David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/ John D. Burke</u>)	

OFFICE OF THE CLERK

FILED: May 12, 2010

ATTEST: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.